

Women entrepreneurs get new e-commerce service

STAR BUSINESS REPORT

A new e-commerce service was launched for women entrepreneurs yesterday to support their business through mobile wallets.

Women entrepreneurs will be able to use the customised 'e-commerce' service to purchase or sell their products through the mobile financial services Ucash of United Commercial Bank, supported by mobile operator Banglalink.

The project enables women to become more integrated by using their individual hotline numbers for each district. The mobile wallet generally refers to payment services via a mobile device. Instead of paying with cash, cheque or credit cards, a consumer can use a mobile phone to pay for services.

The project was initiated by international development organisation the Asia Foundation with technical support from Centre on Budget and Policy of Dhaka University.

Nazneen Sultana, deputy governor of Bangladesh Bank, said half of the population is female, while only a few are entrepreneurs.

"The per capita income of the country is now more than \$1,190. If women become part of development, growth will be much faster," she said at the launch of the project at The Daily Star Centre.

Sultana sees potential for women in freelancing and outsourcing—the sectors that require intelligent, patient services.

Syed Al-Muti, associate director of Asia Foundation, said women can concentrate on ICT-based business, rather than conventional business.



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Nazneen Sultana, deputy governor of Bangladesh Bank, attends the launch of a customised e-commerce service for women entrepreneurs by United Commercial Bank and Banglalink, at The Daily Star Centre in Dhaka yesterday.

They can use ICT in their day-to-day operations to increase efficiency and decrease costs; but before that, they need training, he added.

About 30 women entrepreneurs—leaders and members of the District Women's Business Forums in Rangpur, Sylhet, Rajshahi and Barisal—were present.

Nazrul Islam Khan, ICT secretary, said entrepreneurs face barriers when it comes to financial support from banks, but they have to sort them out.

He urged nongovernmental organisations to provide loans to women so that they can buy computers and start online businesses.

The government is arranging thousands of trainings sessions countrywide for the young entrepreneurs;

women can join those trainings, he said.

Munir Hasan, an ICT expert and coordinator of the Youth Programme of Prothom Alo, said understanding technology is a must to do business in the ICT sector.

He suggested women use Facebook and bulk short messages as tools to market their products, which can be handled by the mobile operators.

There are 10 lakh virtual stores in the world that do not have any physical outlets, he said. Bangladesh has 3,500 such virtual stores, while 2,100 of them did not face any business losses last year.

Luna Shamsuddoha, president of Bangladesh Women In Technology, said women entrepreneurs must

make use of internet infrastructure that has developed manifold in the last five years.

Farhana Rahman, chief executive officer of UY Systems, said male and female entrepreneurs face the same kind of obstacles in managing financial support or bureaucratic hassles.

She said banks are supporting the ICT entrepreneurs but they have to present appropriate documentation.

Irum Iqbal, head of value-added service, data, devices and mobile financial service of Banglalink, said entrepreneurs should know the mechanism behind marketing their products.

Due to a lack of marketing, a good product may not be successful. Using ICT tools, entrepreneurs can even export their products abroad,

PM's adviser urges investment in productive sectors

BBS organises workshop on economic census

STAR BUSINESS REPORT

The economy will grow by another 2.5 percent if savers invest in productive sectors, Prime Minister's Economic Affairs Adviser Mashiur Rahman said yesterday.

People generally invest in land and apartments, but they should invest in productive sectors as well—to help create jobs, he said.

Rahman spoke at a workshop on the preliminary report and proposed tabulation plan of the Economic Census 2013, organised by Bangladesh Bureau of Statistics in Dhaka.

Informal activities in the economy are rising, as those require low capital investment and create employment in rural areas, Rahman said.

"We should also focus on formal economic activities to generate more employment."

Conducted by BBS between March 31 and May 31 this year, the survey found the number of economic units to be 80.75 lakh, up 118 percent from the previous edition of the survey published in 2003.

Agriculture has been excluded from the survey as the statistical agency conducts a separate census for it.

The total number of economic units in 2003 was 37.08 lakh, an increase of 71 percent from 1986, when the first edition of the survey came out.

The census should also reveal non-resident Bangladeshis' contribution to the economy, Rahman said.

"We want to know about the

investment capacity of our businesses through this census," said Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry.

The census helps the government find the areas that require a special focus to boost growth.

"We want to meet the demand of all stakeholders by providing quality data," said Golam Mostafa Kamal, director general of the state-run statistical agency.

BBS seeks to provide comprehensive statistical information for economic and social development planning as well as policymaking, Kamal said.

The purpose of the study is to investigate the nature of structural change that has occurred in the economy over the last decade, said Dilder Hossain, project director of Economic Census 2013.

For the survey, a list of all establishments and households of the country was prepared.

But economic units, except agriculture, were separated from the list and enumerated in the census, Hossain said.

The survey covered temporary and permanent establishments and economic households, he said.

Households with non-agricultural economic activities such as cottage industry, shop or workshop are defined as economic households, he said.

The final report of the survey will be published in June 2015.



UIU

Atiur Rahman, governor of Bangladesh Bank, speaks at a seminar on national budget 2014-15 and its challenges to implementation, organised by the Institute of Business and Economic Research at United International University recently.

Atiur suggests crackdown on state banks

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Rahman went on to recommend more expenditure on the services sector to create jobs. "We should focus on the service sector as it will provide more jobs in coming days."

Foreign investors should invest targeting the growing middle-class as the average rate of return is the highest in Bangladesh among the Asian countries, he said.

On the proposed budget, the governor said: "The size of the budget is not big if we adjust it with inflation."

Rahman also hailed Finance Minister AMA Muhith for keeping the budget deficit below 5 percent of GDP as the government will not depend too much on bank borrowing.

The governor, however, opposed the imposition of tax on capital gains in the capital market. "We need to rethink capital gains tax to protect the interest of small investors."

On monetary policy, Rahman hinted that BB will continue with its credit growth stance.

"Inflation is the biggest enemy of the poor. So, we will not allow money to overflow in the unproductive sector in the second half," he added.

Rupali Chowdhury, president of FICCI, called upon the governor to simplify the procedure for foreign exchange transactions in a bid to attract more foreign investment in the country.

Geoff Strong, vice-president of FICCI, also attended the event.

Exports accelerate 7pc in May

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Total export earnings in the first 11 months of the fiscal year stood at \$27.37 billion, an increase of 12.56 percent from a year ago.

Murshedy, also the president of the Exporters' Association of Bangladesh, said the overall export target of \$30.50 billion set by the government for fiscal 2013-14 is likely to be achieved.

The export momentum though seems to have slowed somewhat last month: May's earnings of \$2.72 billion missed the monthly target by 5.45 percent.

67pc of ADP implemented in 11 months

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The government has implemented 67 percent of the annual development programme (ADP) in the first 11 months of the current fiscal year. It is 2 percentage points less than in the same period last year.

"The ADP has been revised at Tk 60,000 crore, of which Tk 39,992 crore has been spent as of May," Planning Minister AHM Mustafa Kamal said yesterday at a press briefing organised for the first time to highlight the ministry's activities to the media.

It means that 11-month average expenditure was only Tk 3,636 crore, while the government will have to spend more than Tk 20,000 crore in the last one month.

"We hope we can spend the total amount by June," he said, referring to the last fiscal year's 96 percent ADP implementation rate. About the current fiscal year's development projects, Kamal said 203 projects were approved by the Executive Committee of the National Economic Council, involving Tk 119,529 crore.

Of the amount, the government's fund is Tk 53,300 crore, state-owned enterprises Tk 3,698 crore and the rest Tk 62,531 crore comes from project aid.

ADB to strengthen its Dhaka office

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Nakao came to Dhaka yesterday on a two-day visit and met Prime Minister Sheikh Hasina and Finance Minister AMA Muhith at their offices.

"It's (Bangladesh) really changing and the investment climate is improving. The economy is getting stronger with consistent and modest growth rates for years," he said. Bangladesh's economy grew by 6.24 percent on average a year in the last decade.

He, however, stressed the need for more efforts to boost infrastructure, skills, and the business climate as the country targets a middle-income status.

Enhancing the quality of education, especially in secondary and vocational levels, and investment in infrastructure are two major areas where Bangladesh needs to work more, he said. Bangladesh spends only 3 percent of its gross domestic product on infrastructure development, significantly lower than China's 15 percent, he added.

Raising the tax-GDP ratio is another challenging task for Bangladesh, which he said is needed to mobilise more resources internally to address infrastructure constraints. The use of public-private partnerships is also an urgent need for Bangladesh, the ADB president said.

On delegating more authority to ADB's Dhaka office, Nakao said it has been decided for the sake of faster procedural works, procurement and implementation of projects.

The ADB president said Bangladesh has to act reciprocally by strengthening its project readiness, approval, procurement and implementation. "To us, those are not as speedy as it should be."

He appreciated Bangladesh's strong private sector and stable security for years (in terms of terrorist attacks).

On why Bangladesh does not get much-needed foreign direct investment, the ADB president said the government can change the situation faster by deregulating many of its works.

"If the government is serious about improving the investment climate, that includes infrastructure, education and governance, Bangladesh will get easier access to FDI."

Since 1973, the Manila-based lender has provided Bangladesh with \$15 billion in loans, technical assistance and grants to develop the country's infrastructure, gas, power, education and urban services. Presently, the ADB lends Bangladesh \$1 billion, in mostly concessional loans, a year.

Nakao said the ADB will continue to assist Bangladesh's efforts to address its infrastructure needs.

Nakao will visit Sirajganj today to see progress of



NFL

Md Abdul Mannan Bhuiyan, chairman of National Finance Ltd (NFL), presides over the company's 12th annual general meeting at its head office in Gulshan, Dhaka recently. NFL announced 7 percent stock dividend for 2013. Mamoon Mahmood Shah, managing director, was also present.

Put a curb on state banks' lending

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He also urged the finance minister to revise up the allocation for key social and development sectors such as health, education, food and social security.

AB Mirza Azizul Islam, a former finance adviser to the caretaker government, said the government would not be able to achieve its GDP growth target of 8 percent by 2015 and 10 percent by 2021 if it cannot raise investment-GDP ratio by attracting private investment.

"The budget has taken some positive steps in the areas of infrastructure and electricity to revive private investment. But we will not get desired benefit if we can't address the delay in project implementation, no matter what the allocation is."

The country needs efficient administration and less corruption, and political stability to restore the confidence of the private investors, Islam said.

The expensive power and high interest rate are two other constraints that are putting private investment at bay, he said.

M Anis Ud Dowla, a former president of MCCI, proposed closing the state-owned enterprises, particularly the jute and textile mills, as the government does not have adequate expertise and energy to run them.

He also said the turnover tax is unrealistic and against the basic principle of income tax. "Through this, you are taxing revenue, not the income."

Adeeb H Khan, senior partner of Rahman Huq, an audit firm, criticised the plan to impose 30 percent tax on the super-rich.

"This is controversial. Instead of expanding the tax net, imposing a new rate will put more pressure on honest taxpayers."

He also said, although the proposal to reduce the minimum tax on companies and firms on their gross receipts to 0.3 percent from 0.5 percent is a welcome move, the tax measure actually goes against the normal practice of income tax.

"This is unfair and unjust."

M Abdul Mannan, state minister for finance and planning, said the proposed budget has waded into areas that were not touched by the governments in the past.

"We have brought something for chil-

dren, women, underprivileged groups, and even for cancer patients. We will allocate more for them if we can mobilise more resources," he said.

The minister also backed suggestions of privatising the state-owned enterprises.

Mannan also said the government is looking into the changes in land tax proposed in the budget.

Habibullah N Karim, an executive member of MCCI, said the registration fee of land should be per katha-based fixed amount and area specific, instead of the percentage on the deed value, as proposed in the budget.

"If we can do so, we will be able to reduce black money in the economy, as people will feel encouraged to mention the real price of the land in the deed," he said.

Rokia Afzal Rahman, president of MCCI, said the upcoming budget reflects the government's planning for the next five years, setting off a perception of stability and policy continuity.

"This was much needed for the business community in Bangladesh and foreign investors to bring back the confidence."

She urged the government to cap its borrowing from the banking sector, as the projected borrowing will be significantly higher compared to that in the outgoing fiscal year.

The MCCI president said the government also needs to remain open to suggestions from the business community in resolving issues that might stem from the implementation of the new VAT law from the upcoming fiscal year.

"We also urge the government to take appropriate measures for capacity building of the administrative system to be able to implement the new budget."

Zaidi Sattar, chairman of PRI, said protections provided to some sectors such as tyres, tubes and LPG cylinders should be made time-bound. "Otherwise, they will not become competitive globally."

Salahuddin Kasem Khan, managing director of AK Khan and Company Ltd, called for finding a solution to electricity crisis, particularly in Chittagong, as industries cannot remain competitive with power producing from costly imported oil.



NRB BANK

Muklesur Rahman, managing director of NRB Bank, and Md Shofiqul Islam, company secretary of Dhaka Electric Supply Company Ltd (DESCO), exchange documents after signing a deal to collect electricity bills of DESCO, at a programme in Dhaka recently.